



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Alex Gurza

**SUBJECT:** See Below

**DATE:** September 19, 2005

Approved

Date

9-20-05

**SUBJECT: AGREEMENT WITH THE CONFIDENTIAL EMPLOYEES'  
ORGANIZATION (CEO), AFSCME LOCAL NO. 101, AFL-CIO**

## RECOMMENDATION

Adoption of a resolution approving the terms of a Memorandum of Agreement with the Confidential Employees' Organization (CEO), and authorizing the City Manager to execute the agreement, subject to ratification of the CEO membership.

## BACKGROUND

The current contract with CEO expires on Saturday, September 24, 2005. On September 16, 2005, the City and CEO reached a tentative agreement on a three-year Agreement. The tentative agreement was ratified by the CEO membership on September 19, 2005.

## ANALYSIS

Summary of tentative agreement includes:

<b>Term</b>	September 25, 2005, through September 20, 2008
<b>Wages</b>	1.5% general wage increase effective September 25, 2005. 3.75% general wage increase effective September 24, 2006. 3.00% general wage increase effective September 23, 2007.
<b>Medical Benefits</b>	Effective the first pay period of payroll calendar year 2006, increase employees' maximum contribution for the lowest-priced medical insurance plan from \$25.00 to \$50.00 per month.

**ANALYSIS** (cont'd.)

Reopener agreement regarding the change to a \$50 cap in 2006 if any other bargaining units maintain the current cost sharing formula for health benefits in payroll calendar year 2006.

Effective the first pay period of payroll calendar year 2007, increase employees' maximum contribution for the lowest-priced medical insurance plan from \$50.00 to \$100.00 per month.

Effective the first pay period of payroll calendar year 2008, increase employees' maximum contribution for the lowest-priced medical insurance plan from \$100.00 to \$150.00 per month.

**Dental Benefits**

Effective the first pay period of payroll calendar year 2006, introduce a cost sharing for dental benefits that includes 100% City paid for lowest priced plan and 95% City paid, 5% employee paid for other plans.

**Part-Time Employees**

Revise part-time employee work schedule for employees who are benefited at 75% from 30-39 hours per week to 30-34 hours per week (or 1560-1768 hours per year).

**Vacation Accrual**

Effective the first pay period of payroll calendar year 2007, employees' paychecks will reflect actual accrued vacation and employees can accrue up to two times their annual vacation accrual rate.

**Personal Leave**

Effective the first pay period of payroll calendar year 2007, full-time employees will receive eight (8) additional hours of personal leave per year for a total of twenty-four (24) personal leave hours per year. Effective the first pay period of payroll calendar year 2007, benefited part-time employees will receive four (4) additional hours of personal leave per year for a total of twelve (12) personal leave hours per year.

**Substance Abuse Program**

Revisions and clarification to existing program.

**Reclassification Process**

This program will be suspended for 05/06 FY and a revised program will be restored for the 06/07 FY and continue for the term of this agreement.

**Notary Pay**

Effective the first pay period of payroll calendar year 2008, modification to eligibility of notary pay.

September 19, 2005

**Subject: Tentative Agreement with CEO**

Page 3 of 3

**ANALYSIS (cont'd.)**

**CEEPP, ESPPP and  
Educational  
Reimbursement**

Effective September 25, 2005, elimination of CEEPP (Confidential Employees' Equipment Purchase Program), ESPPP (Employee Service Pay for Performance Program) and reduction in educational reimbursement from a maximum reimbursement of \$1400 to \$1000.

Funds resulting from these changes will be used for a special salary adjustment of .25% for all CEO classifications, effective September 25, 2005, which will result in a total general increase of 1.75%.

**PUBLIC OUTREACH**

Not applicable.

**COORDINATION**

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

**COST IMPLICATIONS**

The ongoing increased annual direct cost of this agreement is approximately \$305,707 in the first year, \$721,221 in the second year and \$598,486 in the third year. The 0.25% special adjustment in the first year is funded by existing CEEPP and ESPPP funds and a reduction in educational reimbursement from \$1400 to \$1000. The indirect costs include the addition of eight (8) hours of personal leave in the second year and the modification to eligibility of notary pay in the third year.



Alex Gurza  
Director of Employee Relations

SEP 20 2005  
RECEIVED